

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

*In the Matter of:*

Elk River Post Office  
Elk River, Idaho 83827

Docket No. A2012-99

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(February 13, 2012)

On December 20, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked December 13, 2011, from postal customer Dawn Tillson (Petitioner) objecting to the discontinuance of the Post Office at Elk River, Idaho.<sup>1</sup> The following day, December 21, 2011, the Commission received another letter from the Petitioner objecting to the discontinuance of the Elk River Post Office. In accordance with 39 CFR § 3001.113 (a) (requiring the filing of the record within 15 days of the filing of the petition with the Commission), the administrative record was filed with the Commission on January 4, 2012. On January 5, 2012, the Commission issued Order No. 1100, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On January 23, 2012, the Petitioner filed a Participant Statement. The following is the Postal Service's answering brief in support of its decision to discontinue the Elk River Post Office.

The correspondence received by the Commission raises three main issues: (1) the effect on postal services, (2) the impact upon the Elk River community, and (3) the calculation of economic savings expected to result from discontinuing the Elk River Post

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<sup>1</sup> This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,<sup>2</sup> the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Elk River Post Office should be affirmed.

### **Background**

The Final Determination To Close the Elk River, ID Post Office and Establish Service by Highway Contract Route Service (Final Determination), as well as the administrative record, indicate that the Elk River Post Office provides EAS-55 level service to 92 Post Office Box customers, 1 delivery customer, and retail customers 37 hours per week. FD, at 2; Item No. 42, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.<sup>3</sup> The postmaster of the Elk River Post Office passed away on July 23, 2008. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.<sup>4</sup> The average number of daily retail window transactions at the Elk River Post Office is 14, accounting for 18 minutes of workload daily. Revenue has generally been low and declining: \$10,828.00 in FY 2008 (28 revenue units);

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<sup>2</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>3</sup> The Final Determination can be found at Item No. 47 in the Administrative Record. All citations to the Final Determination will be to "FD at \_\_\_\_," Rather than to Item 47. The FD page number refers to the pages as marked on the upper left of the document. Other Items in the administrative record are referred to as "Item No. \_\_\_\_."

<sup>4</sup> FD at 7.

\$10,187.00 in FY 2009 (27 revenue units); and \$9,964.00 in FY 2010 (26 revenue units).<sup>5</sup> The Elk River Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by highway contract route (HCR) service administered by the Deary Post Office, an EAS-13 level office located twenty-seven miles away, which has 8 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1. This service will continue upon implementation of the Final Determination. FD at 2. HCR Service will be provided to cluster box units (CBUs). CBUs are secure free standing units of individually locked mail compartments installed and maintained by the Postal Service at no cost to the customer. FD at 2. A parcel locker may also be installed to accommodate customer parcel deliveries. FD at 2.

The Postal Service gave notice of its intentions, which led to the posting of the Final Determination. All issues raised by the customers of the Elk River Post Office were considered and properly addressed by the Postal Service. The Postal Service furnished notice through postings. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Elk River Post Office. Questionnaires were also available over the counter for retail customers at Elk River. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Elk River Post Office, at 1. A letter from the Manager of Post Office Operations, Seattle, WA, was also made available to postal customers, which advised customers that the

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<sup>5</sup> FD, at 2; Item No. 18, Fact Sheet, at 1.

Postal Service was evaluating whether the continued operation of the Elk River Post Office was warranted, and that effective and regular service could be provided through carrier delivery and retail services available at the Deary Post Office. The letter invited customers to complete and return a customer questionnaire wherein they could express their opinions about the service they were receiving and the effects of a possible change involving carrier delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Andre Bloom Community Center for a community meeting on June 30, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Elk River Post Office from November 23, 2011 to December 25 2011. FD at 2; Item No. 33, Round-date stamped Proposal; Item No. 36, Round date stamped Invitations for comments at 2. The Final Determination was posted at Elk River Post Office beginning November 23, 2011<sup>6</sup> and the Deary<sup>7</sup> and Bovill<sup>8</sup> Post Offices beginning January 4, 2012.<sup>9</sup>

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<sup>6</sup> Item No. 49, Round-date stamped Final Determination cover sheet.

<sup>7</sup> The Deary Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

<sup>8</sup> The Bovill Post Office closing has been appealed to the Commission under Docket No. A2012-109.

<sup>9</sup> See Item No. 49, Round-date stamped Final Determination cover sheet sheets and the Memo to the

In light of a postmaster vacancy, minimal workload, declining office revenue,<sup>10</sup> the variety of delivery and retail options (including the convenience of carrier delivery and retail service),<sup>11</sup> very little recent growth in the area,<sup>12</sup> minimal impact upon the community, and the expected financial savings,<sup>13</sup> the Postal Service issued the Final Determination.<sup>14</sup> Regular and effective postal services will continue to be provided to the Elk River community in a cost-effective manner upon implementation of the final determination. FD at 5.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Elk River Post Office on postal services provided to Elk River customers. The closing is premised upon providing regular and effective postal services to Elk River customers.

The Petitioner's letters of appeal and Participant Statement raise the issue of the effect on postal services of the Elk River Post Office's closing, noting the convenience of the Elk River Post Office and requesting its retention. The Petitioner expresses particular concern about the distance of the nearest Post Office.

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Record.

<sup>10</sup> See note 5 and accompanying text,

<sup>11</sup> FD at 2-5.

<sup>12</sup> Item No. 16, Community Survey Sheet.

<sup>13</sup> FD, at 6; Item No. 29, Proposal Checklist, at 2.

<sup>14</sup> FD, at 2-7.

The Postal Service explained that upon the implementation of the Final Determination, many services provided at the Post Office will be available from the carrier, and customers will not have to travel to another Post Office for most transactions. FD at 3. Stamps by Mail and Money Order Application forms<sup>15</sup> are available for customer convenience. FD at 3. Stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. FD at 3. The provision of carrier service will alleviate the need for customers to travel to the Post Office for most retail services and will provide them with 24-hour access to their mail. FD at 5.

Carrier service is also beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or CBUs close to customer residences. FD at 4. In addition, special provisions are made for hardship cases or special customer needs. FD at 4. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information. FD at 4.

The Petitioner also raises concern about inclement weather and the hardship it will place on the community residents' ability to obtain postal services. As explained in the record, customers are not required to travel to another Post Office to receive service. Service will be provided to roadside CBUs close to customer residences. Both

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<sup>15</sup> The Petitioner raises the concern about traveling to another Post Office to purchase money orders. However, customers may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money order, plus the fee. The carrier gives the customer a receipt for the application, completes the money order upon his or her return to the Post Office, and leaves a money order receipt in the customer's mailbox on the next delivery day. Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day.

inclement weather and heavy mail volume can cause deviations from the normal delivery schedule; however, the carrier is required to provide a vehicle of adequate size, equipped with necessary equipment (chains or snow tires, warning lights or signs, etc.) to serve the route safely and efficiently and in accordance with federal, state, and local motor vehicle laws and regulations. FD at 4.

Although not raised by the Petitioner, the Postal Service also considered security issues in connection with this discontinuance action. Specifically, the Postal Service distributed a questionnaire to the Postal Inspection Service concerning mail theft and vandalism in the area. The records of the Inspection Service indicate that there has been no report of mail theft or vandalism in the area. Item No. 14, Inspection Service/local law enforcement vandalism reports. In addition, the CBUs to be installed in the community will provide the security of individually locked mail compartments to protect customers against mail theft. FD at 5.

In sum, the Postal Service has considered the impact of closing the Elk River Post Office upon the provision of postal services to Elk River customers. The carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 5; Item No. 23, Postal Customer Questionnaire Analysis, at 2; Item No. 25, Community Meeting Analysis, at 1. Thus, the Postal Service has properly concluded that all Elk River customers will continue to receive regular and effective service.

### **Effect Upon the Elk River Community**

The Postal Service is obligated to consider the effect of its decision to close the Elk River Post Office upon the Elk River community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute

recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Elk River is an incorporated rural community located in Clearwater County. The Clearwater County Sheriff provides police protection. The community is administered politically by Mayor Council, with fire protection provided by the Volunteer Fire Department. The questionnaires completed by Elk River customers indicate that, in general, the retirees, loggers, ranchers, commuters, tourists, and others who reside in Elk River must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters.

The Petitioner states that losing the Elk River Post Office “will be a hardship on the community.” However, customer convenience will be enhanced upon the implementation of the Final Determination because the provision of carrier service will alleviate the need for customers to travel to another Post Office for retail services and provide them with 24-hour access to their mail. FD at 5. Communities and business generally require regular and effective postal services and these will continue to be provided to the Elk River community.

Residents may continue to meet informally, socialize, and share information at the other businesses, churches, and residences in town. FD at 5. In addition, the Postal Service has concluded that nonpostal services provided by the Elk River Post Office can be provided by the Deary Post Office. FD at 5. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 5.



Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Elk River Post Office on the community served by the Elk River Post Office.

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that HCR service would cost the Postal Service substantially less than maintaining the Elk River Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Elk River Post Office are \$26,404.00. FD at 6. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 6.

The Petitioner mentions other cost reduction strategies in lieu of complete closure. These include reducing the hours that the facility is open, eliminating Saturday service, and implementing half days. The Postal Service has broad experience with similar options, but the focus of this administrative action concerns whether alternative service can be provided effectively and efficiently to the Elk River community. In this case, the Postal Service has determined that HCR service to CBUs, coupled with service at the nearby Deary Post Office, is a more cost-effective solution than maintaining the Elk River postal facility and career position. FD at 6.

The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster passed away July 23, 2008. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) was installed to operate the office. Upon implementation of the Final Determination, attempts will be made to reassign the noncareer OIC to a nearby office. The record shows that no other employee would be adversely affected by this closing. FD at 6; Item No. 15, Post Office Survey Sheet, at 1. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Elk River Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Elk River Post Office on the provision of postal services and on the Elk River community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Elk River customers through carrier service. FD at 7. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Elk River Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Elk River Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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February 13, 2012